

Department of Economic Development FY10 Performance Review

Steve Silverman, Director
1 October 2010

CountyStat Principles

- **Require Data-Driven Performance**
- **Promote Strategic Governance**
- **Increase Government Transparency**
- **Foster a Culture of Accountability**



Agenda

- **Welcome and Introductions**
- **DED Strategic Planning Update**
- **DED Headline Measures Performance Review**
- **DED Proposed Incubator Performance Measure Changes**
- **DED Proposed Job Creation and Workforce Development Performance Measure Changes**
- **Wrap-up and Follow-up Items**



DED Headline Measures: Business Attraction, Retention & Expansion Efforts

1. Job Creation Within Three Years of DED Involvement

- By existing business expansion
- By new and attracted businesses

2. Total New Capital Investments

- By businesses currently located in the County
- By new and attracted businesses

3. Total New Commercial Space Occupied

- By businesses currently located in the County
- By new and attracted businesses

4. Percentage of Active Prospects that are Successfully Closed within a Three-year Period

5. Business Incubator Program

- New Jobs Created by Incubator Tenant Companies and Graduates
- Amount of Federal/State Research Grant Funding Received by Incubator Tenant Companies
- Amount of Private Equity Financing Received by Incubator Tenant Companies
- Number of Intellectual Properties Issued to Incubator Tenant Companies



DED Strategic Goal 1

Retain and grow existing businesses, strategically attract new ones, and enhance entrepreneurial opportunities; work to ensure that all business sectors benefit from the knowledge-based economy

DED Action	DED Headline Measures	Updates
Business visitation program	<ul style="list-style-type: none"> Jobs created by existing business expansion New commercial space occupied New capital investments by existing businesses Percent of participants satisfied with DED technical assistance/training programs 	<ul style="list-style-type: none"> 119 major employers and 126 major industry accounts under case management. In FY10, 45 companies were either visited or contacted. Acquired ES-202 to capture employment data.
Create more opportunities		<ul style="list-style-type: none"> Created a federal contracting database – the Stimulus Opportunities System (SOS). 1,200 companies have been registered. Held supplier diversity events with major corporations and public entities. Held eight technical assistance seminars on how to compete for federal, state, and local procurement opportunities. Overall satisfaction rate was 97%.
Develop/implement targeted marketing strategies		<ul style="list-style-type: none"> Facilitated the creation of legislation for a biotechnology investment tax credit Acquired Salesforce.com to establish a County business database. Information on over 8,000 County businesses has been captured. Revamped the DED website with an improved search engine – Google ranking went from 300th to 15th. Established an internal group to redesign the DED website and the redesigned website will be online by the end of FY11. Produced and disseminated bi-weekly newsletters – 17 issues of the e-Biz Newsletter were produced.
Proactively recruit firms in targeted industry sectors	<ul style="list-style-type: none"> Jobs created by newly attracted and existing businesses New commercial space occupied by newly attracted and existing businesses Total new capital investment made by newly attracted and existing businesses 	<ul style="list-style-type: none"> Completed industry strategy reports with the Biosciences Task Force and the Green Economy Task Force. Selected action plans are being implemented. Participated in a total of 83 networking events and trade shows.



DED Strategic Goal 2

Adapt to a more competitive business climate by creating an environment where knowledge-based industries and small businesses thrive

DED Action	DED Headline Measures	Updates
Develop industry-based clusters	<ul style="list-style-type: none"> Jobs created by newly attracted and existing businesses New commercial space occupied by newly attracted and existing businesses Total new capital investment made by newly attracted and existing businesses 	<ul style="list-style-type: none"> Created Women Executive Leadership Network and planning a tech transfer showcase at Carderock in February 2011. Delivered an event to cultivate relationships with commercial development and real estate professionals. The second event is planned for November 2010. Established a working group to develop an implementation plan for the bioscience strategy. Created industry-focused teams within DED for business development
Foster the growth of small businesses		<ul style="list-style-type: none"> Met with local chambers of commerce executives. Partnered with MCPS, Montgomery College, and the Supplier Diversity Roundtable to implement a 'Buy Local' campaign. Held three "Meet the Lender" events with an average of 56 attendees and 8-10 financial institutions to expand entrepreneurs' access to capital.
Enhance the availability of knowledge-based workers		<ul style="list-style-type: none"> Opened MontgomeryWorks One-stop Center in Germantown. Provided summer jobs program for 150 youth. Organized six job fairs with such employers as FDA and Home Depot.
Cultivate the climate for entrepreneurial growth and expansion		<ul style="list-style-type: none"> Updating the Small Business Resource Guide. Upload training program and modules into the DED website. Developing a Business Innovation Network tenant-mentoring panel. Increased the number of networking/information sharing events such as CEO Roundtables within the innovation network program of events.
Develop capital projects responsive to key industry cluster needs		<ul style="list-style-type: none"> Signed an MOU with Johns Hopkins University for advancement of bioscience, higher education, and workforce development. The County Council approved the Great Seneca Science Corridor Master Plan.



DED Strategic Goal 3

Foster creative and strong partnerships with academia, the federal research community, the private sector, and various levels of government to pursue innovative projects, policies, and best practices that support business growth and expansion

DED Action	DED Headline Measures	Updates
Build on Federal research presence		<ul style="list-style-type: none"> • CE's visit with NRC, FDA, and NIH took place. DED Director and staff visited Carderock and the Howard Hughes Medical Institute (HHMI). • Established contacts with NIH, Carderock, HHMI, and the Henry Jackson Foundation. • Analyzed existing GSA lease inventories and historical trends to retain and attract Federal facilities. • Working with the GSA Real Property Disposal Team on properties in Montgomery County.
Facilitate technology transfer from Federal labs to marketplace		<ul style="list-style-type: none"> • Planning a technology transfer showcase at Carderock in February 2011. • Launched a new Welcome Center for Technology Transfer site at SGIC and web portal through DED's partnership efforts with the Federal Laboratory Consortium, Montgomery College, JHU, and independent federal labs located in Montgomery County. • Developed a collaborative program with the Federal Laboratory Consortium, Montgomery College, NIH's Foundation for the Advanced Education in the Sciences, Human WorkFlows and DED to train scientists to become Chief Scientific Officers. • Participated as an initial grant partner with UMBC to foster entrepreneurship within the post-doc community through the National Science Foundation. The program, called INNOVATE, is being hosted by JHU Montgomery County Campus.
Public-private projects to promote strategic redevelopment opportunities		<ul style="list-style-type: none"> • Issued an RFP for redevelopment of County and WMATA owned parcels in Wheaton CBD. • Held work meetings with executive branch senior managers to conduct a comprehensive review of the County's development review process.



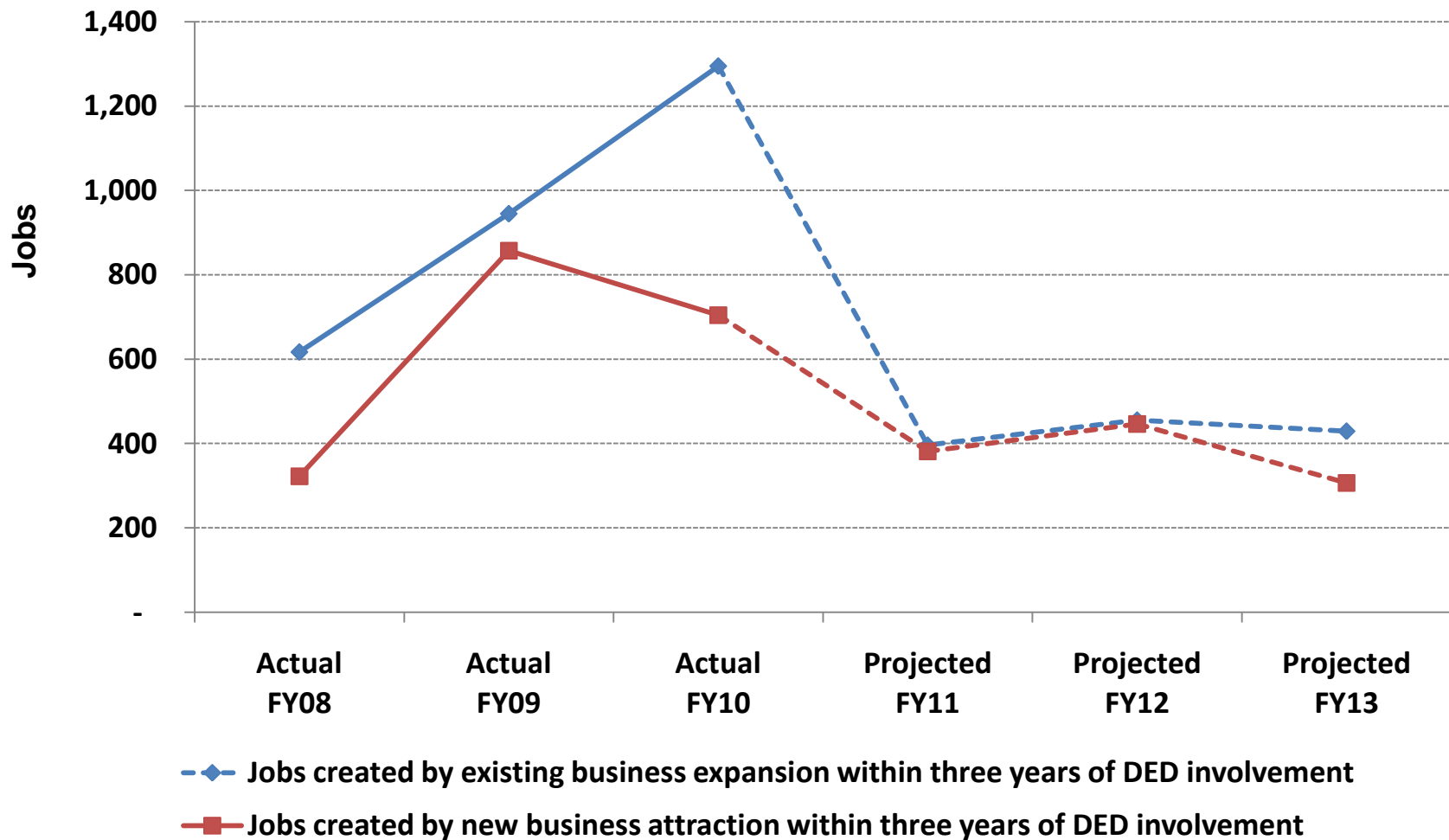
DED Strategic Goal 4

Establish global linkages to facilitate business opportunities abroad, attract international investment to Montgomery County, and foster trade and joint ventures for Montgomery County businesses

DED Action	DED Headline Measures	Updates
Facilitate international opportunities for County businesses	<ul style="list-style-type: none"> Jobs created by newly attracted and existing businesses New commercial space occupied by newly attracted and existing businesses Total new capital investment made by newly attracted and existing businesses 	<ul style="list-style-type: none"> Partnered with WTCI to host the Maryland International Trade & Investment Conference attended by 130 County companies. Facilitated counseling sessions provided by the U.S. Department of Commerce for County companies interested in exploring opportunities in China and Korea.
Revise DED's international website		<ul style="list-style-type: none"> Revamped the web pages dedicated to international economic development, export assistance, and foreign direct investment. Provided links to key export and trade finance-related resources such as the Maryland International Business Center.
Proactively attract global investment to the County		<ul style="list-style-type: none"> Developed work plans for its target countries/regions such as China, Korea, Israel, and Europe. Marketed innovation network companies interested in seeking investments to potential investors at such events as Bio Korea 2009. Attracted \$2.0 million from Chungbuk Province of Korea to provide additional funding for the Economic Development Fund until the two sides jointly develop an incubator facility. Marketed Montgomery County to seven of DBED's 13 overseas offices.
Strengthen partnerships with strategic partners		<ul style="list-style-type: none"> Hosted 10 business development mission from such countries as China, Russia, Brazil, and Malaysia. Provided sponsorship to the Chinese Biopharmaceutical Association to generate additional business development opportunities with China. Collaborated with GWI on its international company directory that features 130 foreign companies located in the County.



DED Headline Measure: Job Creation



DED Headline Measure: Job Creation

	FY08	FY09	FY10	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>
Jobs Created by Existing Business Expansion	617	945	1,295	396	455	429
Jobs Created by Attracted and Newly Started Businesses	322	857	704	381	446	306

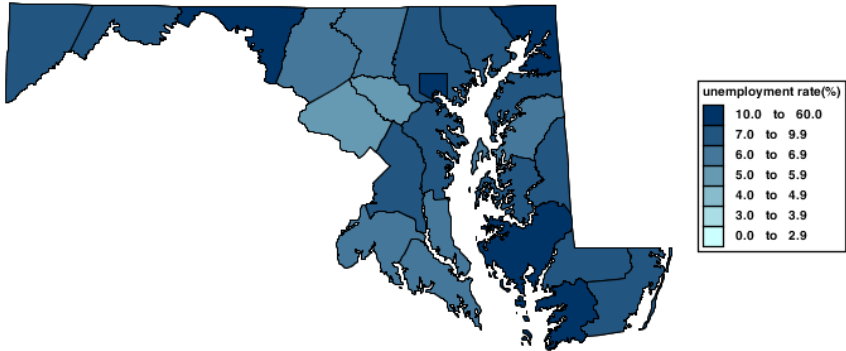
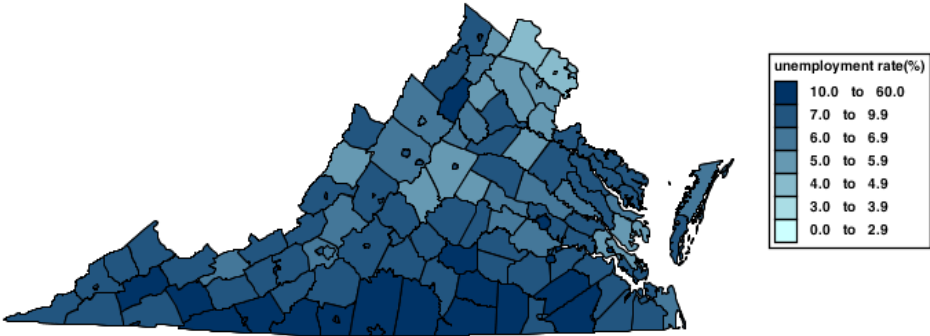
	FY10 Projection	FY10 Actual
Jobs Created by Existing Business Expansion	620 Jobs	1,295 Jobs
Jobs Created by Attracted and Newly Started Businesses	752 Jobs	704 Jobs



Current Regional Unemployment Figures: August 2010

County	August 2010 Unemployment Rate
Arlington County	4.1
Fairfax County	4.9
Loudoun County	4.7
Prince William County	5.6

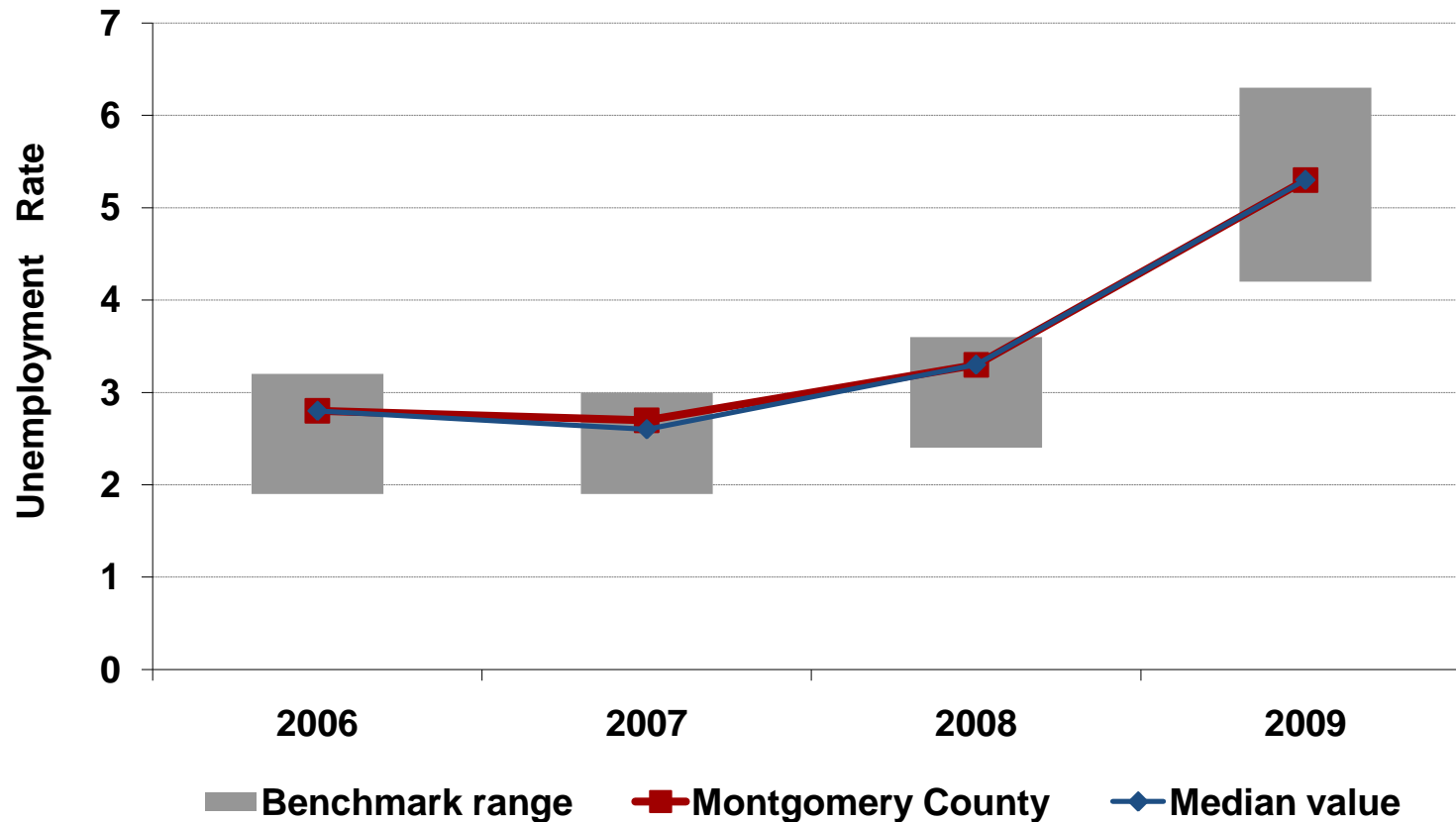
County	August 2010 Unemployment Rate
Baltimore County	8.2
Frederick County	6.4
Howard County	5.6
Montgomery County	5.5
Prince George's County	7.6



Source: US Dept. of Labor Bureau of Labor Statistics
Figures are not seasonally adjusted



Indicator: Regional Unemployment Comparison

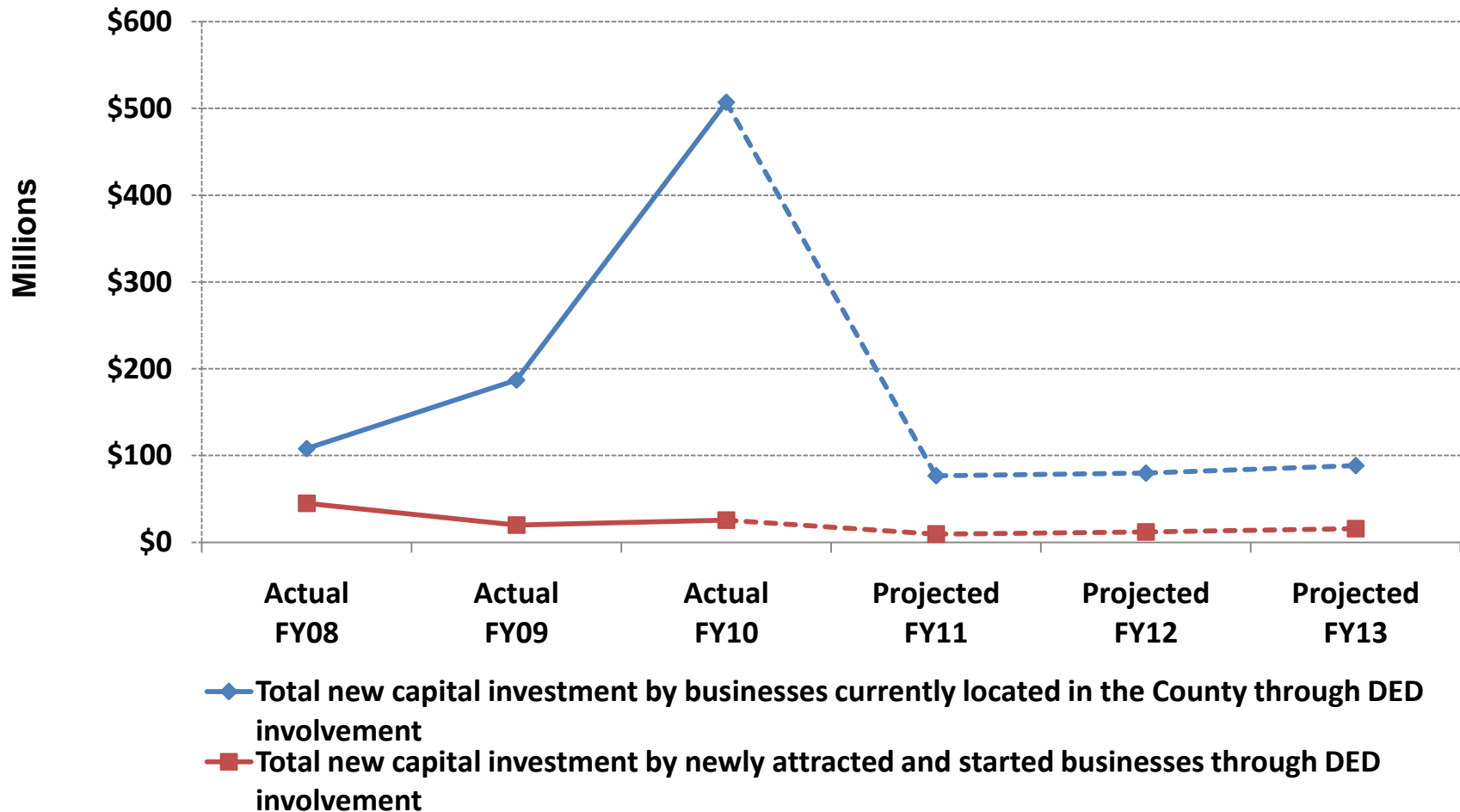


	2006	2007	2008	2009
Regional Median Values	2.8	2.6	3.3	5.3
Montgomery County	2.8	2.7	3.3	5.3

Source: US Dept. of Labor Bureau of Labor Statistics
 Figures are not seasonally adjusted



DED Headline Measure: Total Capital Investment



* Two existing companies made a sizable capital investment to expand its operations in the County for FY10. They include United Therapeutics (\$132 MM) and Covance Health Economics and Outcomes Service, Inc (\$145 MM).



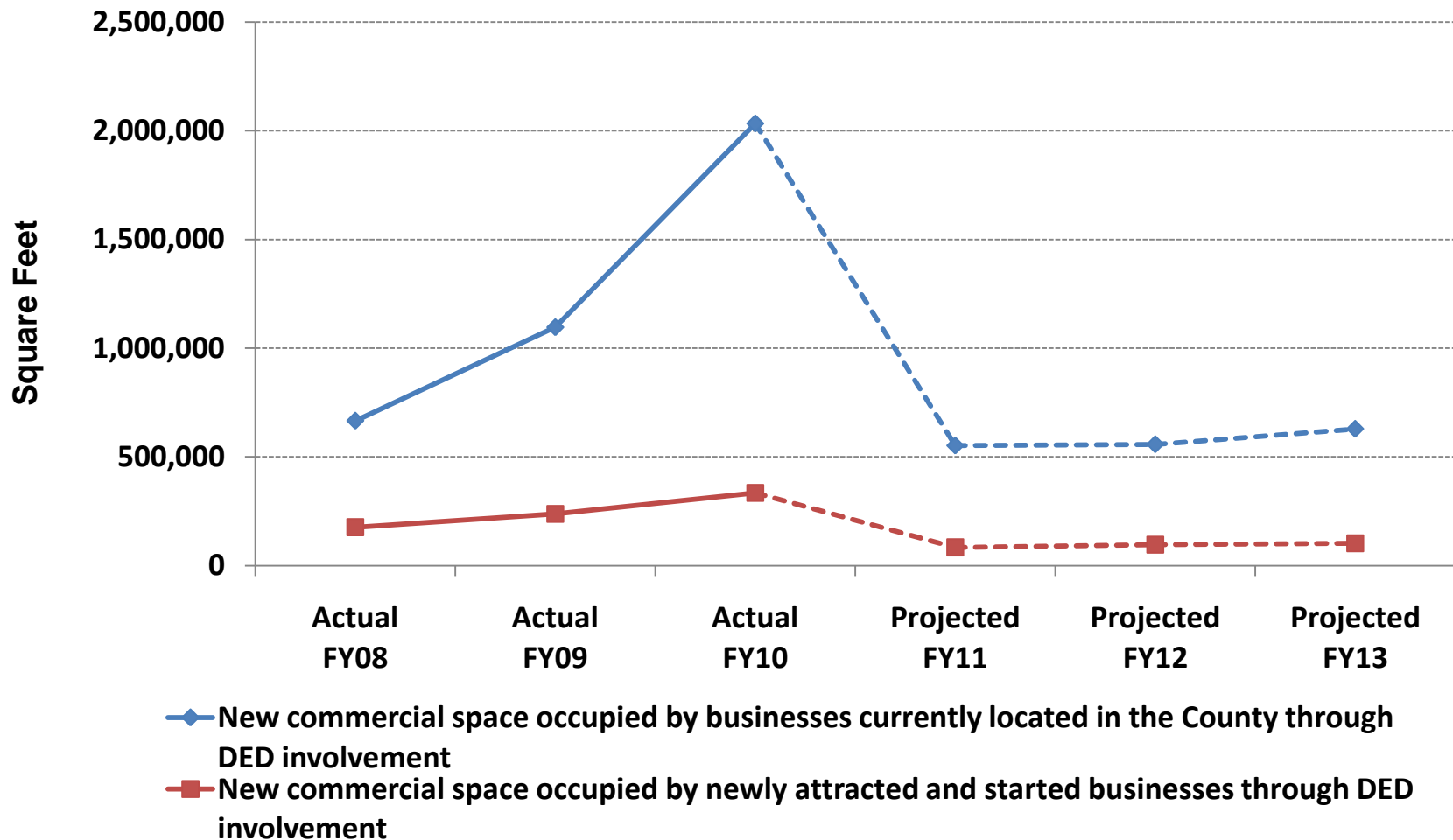
DED Headline Measure: Total Capital Investment

	FY08	FY09	FY10	FY11	FY12	FY13
Capital investment by businesses currently located in the County	\$108M	\$187M	\$507M	\$77M	\$79.8M	\$88M
Capital investment by newly attracted and started businesses	\$45M	\$20M	\$26M	\$10M	\$12M	\$16M

	FY10 Projection	FY10 Actual
Capital Investment by Businesses Currently Located in the County	155	507
Capital Investment by Attracted and Newly Started Businesses	17	26



DED Headline Measure: Commercial Space Occupied



DED Headline Measure: Commercial Space Occupied

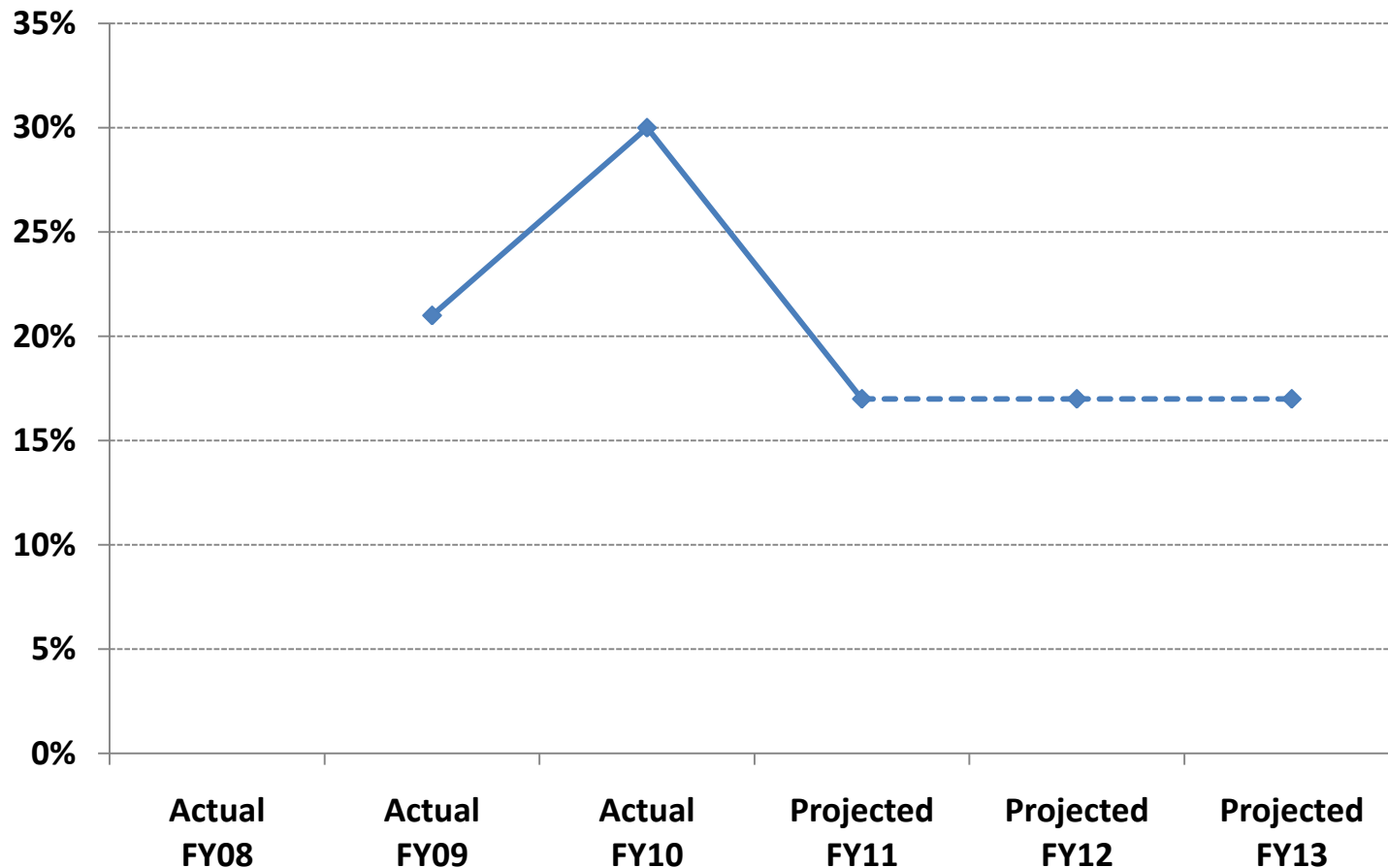
	FY08	FY09	FY10	FY11	FY12	FY13
New commercial space occupied by businesses currently located in the County	665,906	1,096,000	2,033,675	551,680	557,554	628,582
New commercial space occupied by newly attracted and started businesses	176,602	238,300	334,113	84,000	96,000	102,823

	FY10 Projection	FY10 Actual
New Space Occupied by Businesses Currently Located in the County	913,679 sq. ft.	2,033,675 sq. ft.
New Space Occupied by Attracted and Newly Started Businesses	170,235 sq. ft.	334,113 sq. ft.



Values Measured in Square Feet

DED Headline Measure: Percentage of Active Prospects that are Successfully Closed within a Three-Year Period



DED Headline Measure: Percentage of Active Prospects that are Successfully Closed within a Three-Year Period

	FY08	FY09	FY10	FY11	FY12	FY13
Percentage of Active Prospects Successfully Closed within a Three-Year Period	N/A	21%	30%	17%	17%	17%

	FY10 Projection	FY10 Actual
Percentage of Active Prospects Successfully Closed within a Three-Year Period	39%	30%



DED Headline Measure 4: Percentage of Active Prospects that are Successfully Closed within a Three-Year Period

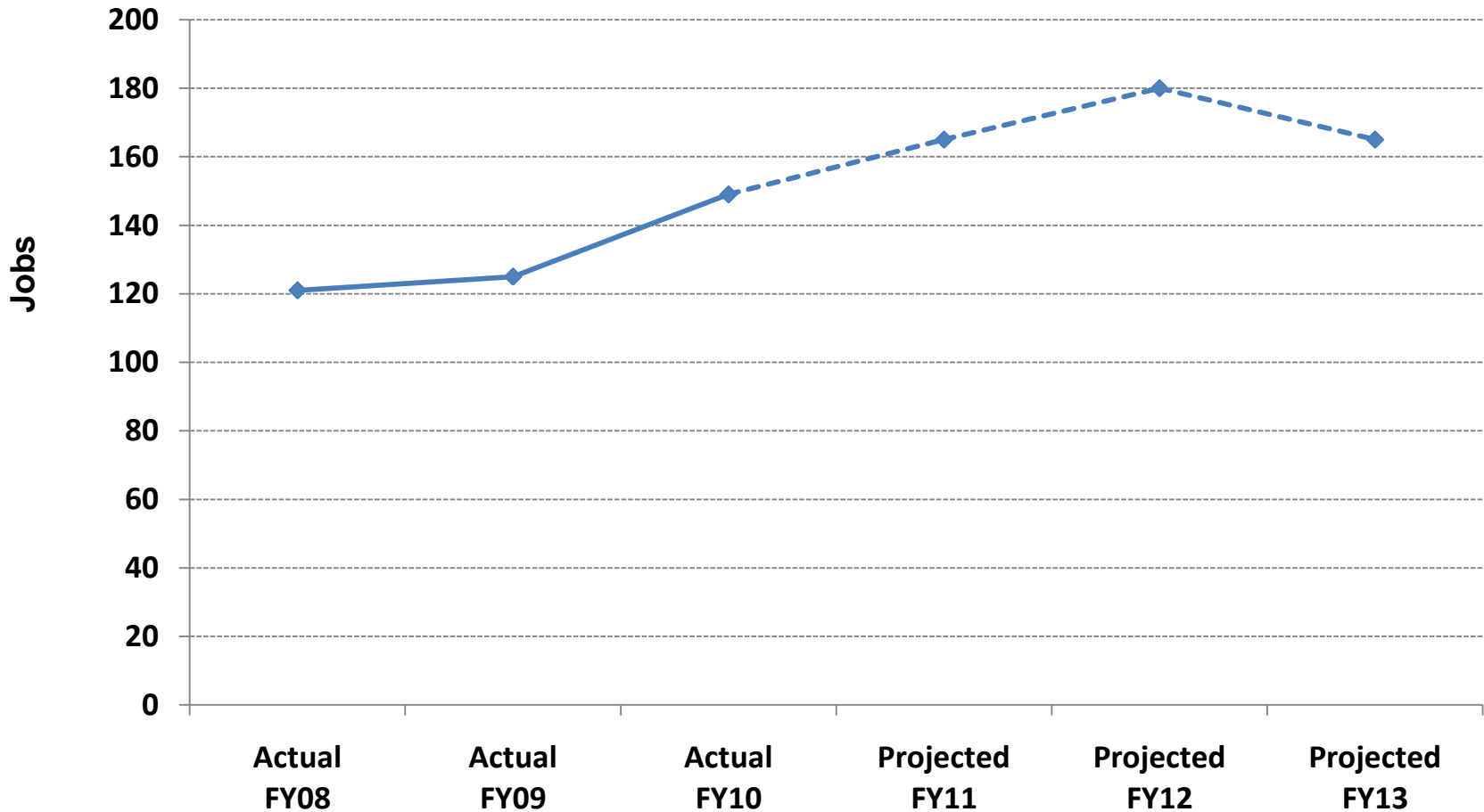
Fiscal Year	Total Number of Active Prospects	Carried Over Active Prospects	New Active Prospects	Active Prospects Successfully Closed within 3 Years	3-Year Active Prospect Closure Rate
FY06	157	101	56	27	N/A
FY07	199	122	77	36	N/A
FY08	206	151	55	37	N/A
FY09	231	158	73	45	21%
FY10	261	162	99	70	30%

Closed Active Prospects Breakdown

Fiscal Year	Total Closed	Successfully Closed			Unsuccessfully Closed
		More than 3 Yr	Within 3 Yr	Total	
FY06	35	4	27	31	4
FY07	48	9	36	45	3
FY08	48	9	37	46	2
FY09	69	16	45	61	8
FY10	87	7	70	77	10



DED Headline Measure: Incubator Job Creation



DED Headline Measure: Incubator Job Creation

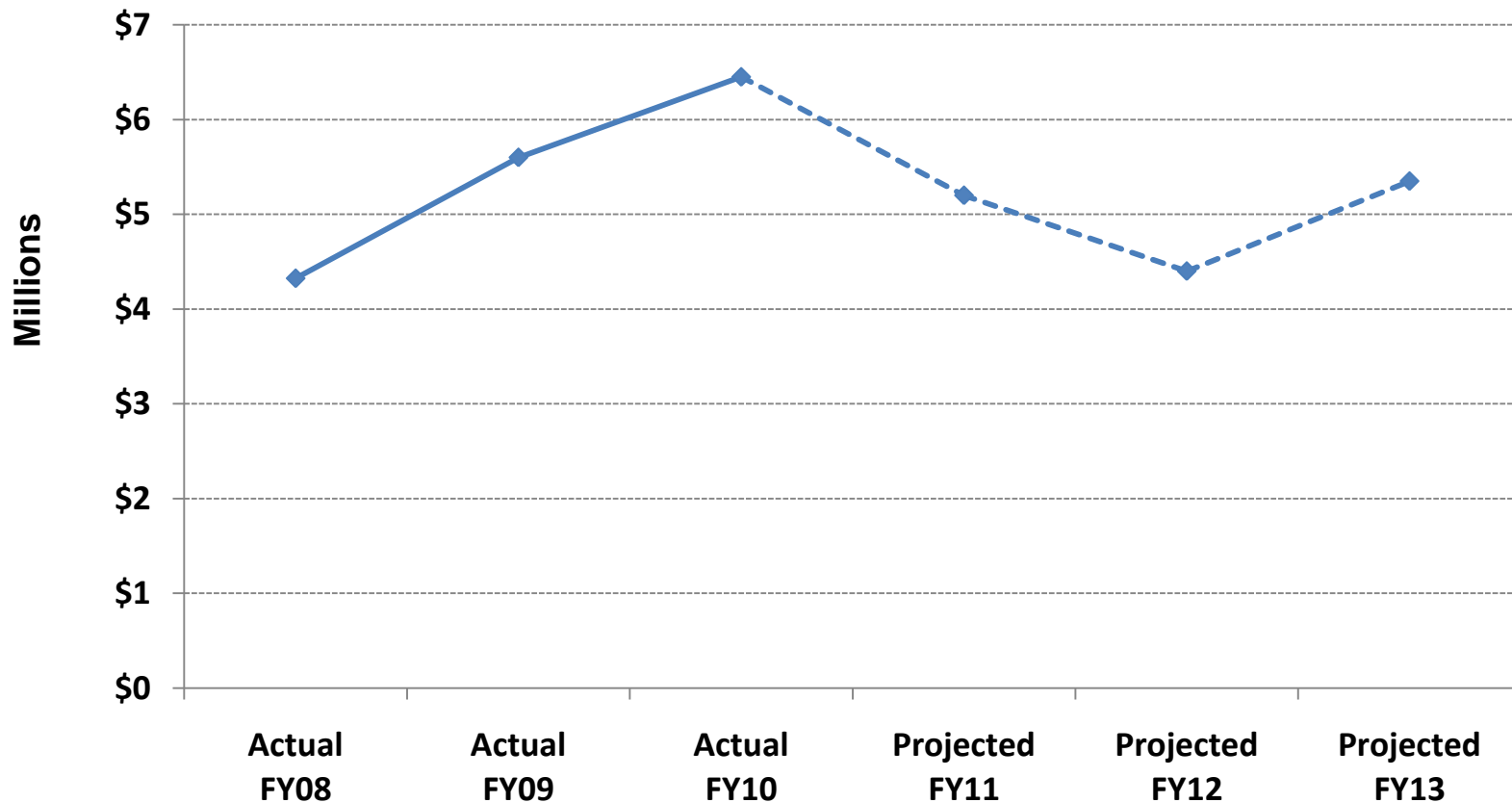
	FY08	FY09	FY10	FY11	FY12	FY13
Number of New Jobs Created by Incubator Companies during the Incubation Period	121	125	149	165	180	165

	FY10 Projection	FY10 Actual
Number of New Jobs Created by Incubator Companies during the Incubation Period	123	149

Beginning in FY11, DED will report the number of new jobs created by incubator companies post graduation, using the ES-202 data.



DED Headline Measure: Amount of Federal Research Grant Funding Received by Incubator Companies



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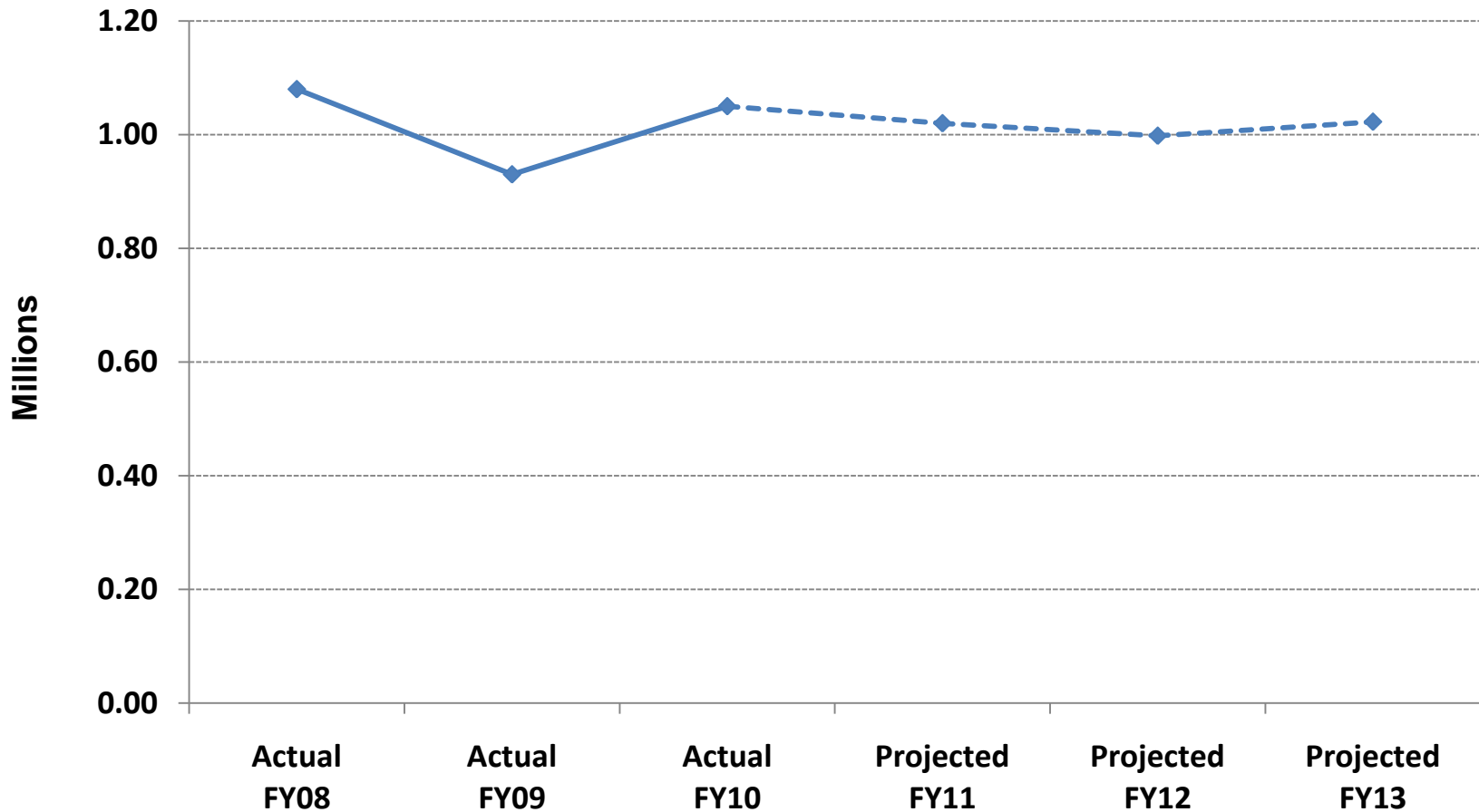
	FY08	FY09	FY10	FY11	FY12	FY13
Amount of Federal Research Grant Funding Received by Incubator Companies	\$4.32 M	\$5.60M	\$6.45M	\$5.20 M	\$4.40 M	\$5.35 M

	FY10 Projection	FY10 Actual
Amount of Federal Research Grant Funding Received by Incubator Companies	\$4.3 million	\$6.5 million

The dollar amount for FY09 has been revised from \$6.7 million to \$5.6 million using various Federal government databases such as usaspending.gov.



DED Headline Measure: Amount of State Research Grant Funding Received by Incubator Companies



DED Headline Measure: Amount of State Research Grant Funding Received by Incubator Companies

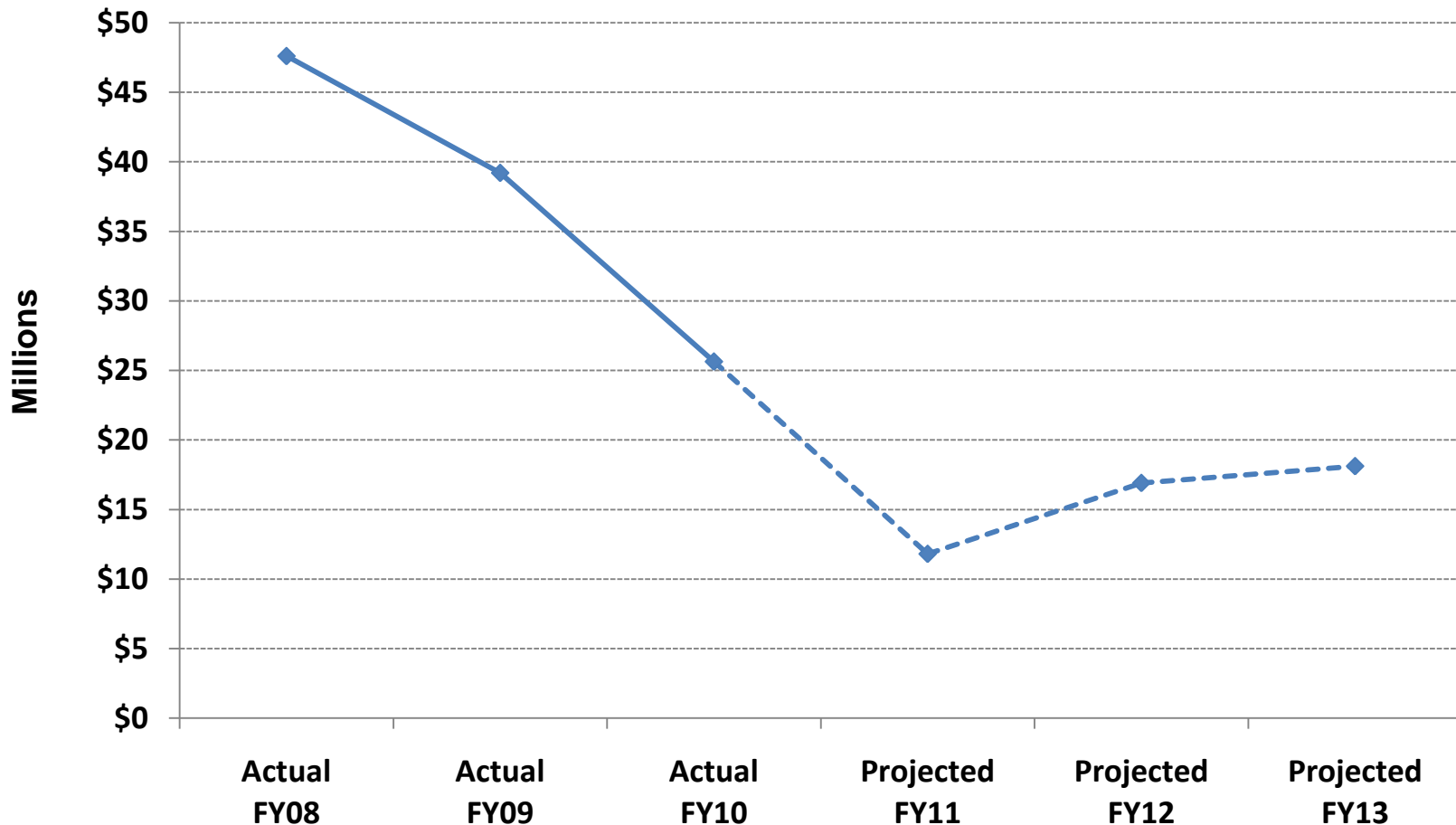
	FY08	FY09	FY10	FY11	FY12	FY13
Amount of State Research Grant Funding Received by Incubator Companies	\$1.08 M	\$0.93 M	\$1.05 M	\$1.02 M	\$1.00 M	\$1.02 M

	FY10 Projection	FY10 Actual
Amount of State Research Grant Funding Received by Incubator Companies	N/A	\$1.05 million

The amount of State research grant funding received by incubator companies has not been reported before.



DED Headline Measure: Amount of Private Equity Financing Received by Incubator Companies



DED Headline Measure: Amount of Private Equity Financing Received by Incubator Companies

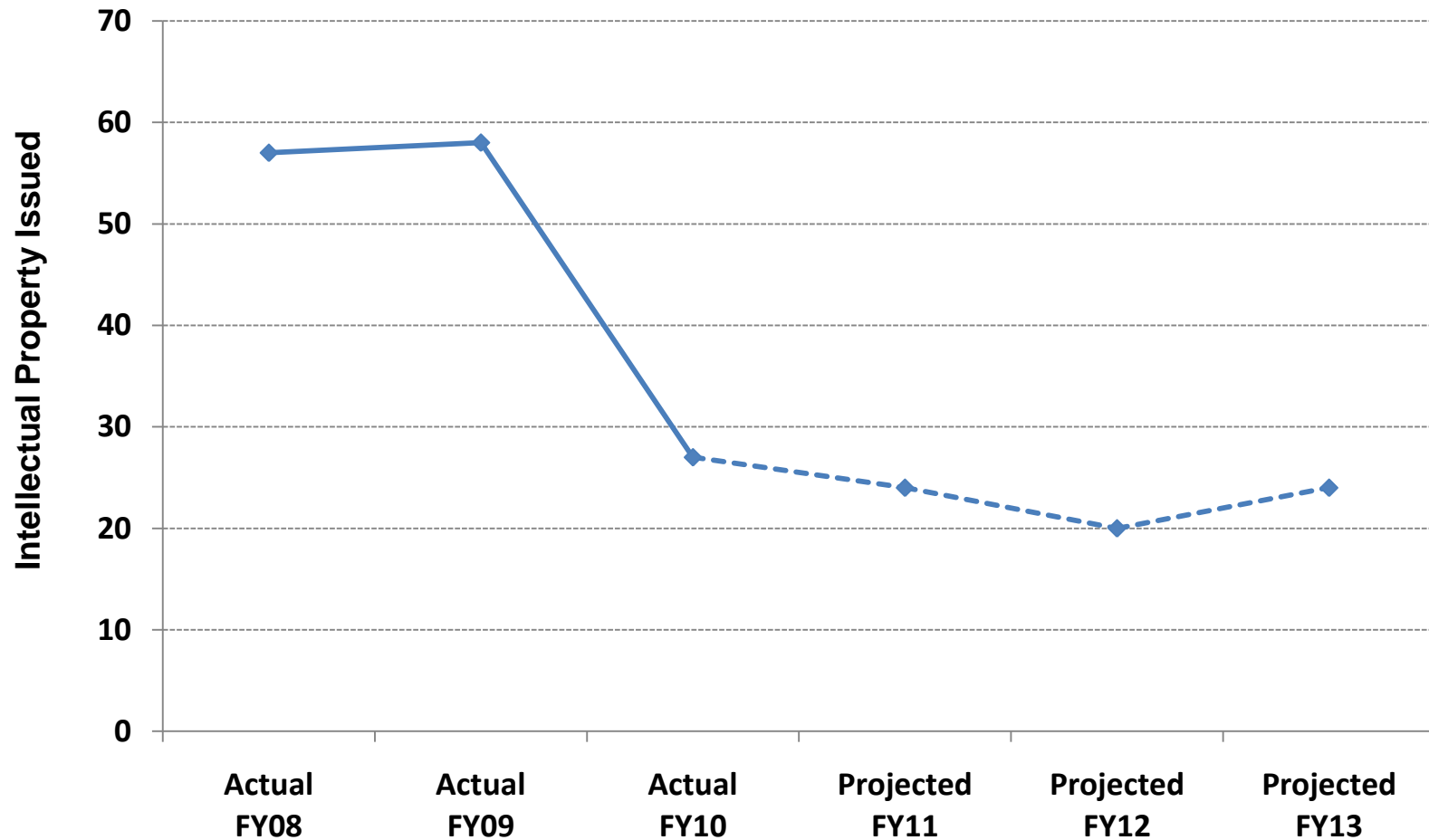
	FY08	FY09	FY10	FY11	FY12	FY13
Amount of private equity financing received by incubator companies	\$47.6 M	\$39.2 M	\$25.6 M	\$11.8 M	\$16.9 M	\$18.1 M

	FY10 Projection	FY10 Actual
Amount of private equity financing received by incubator companies	\$10.8 million	\$25.63 million

The dollar amount for FY09 has been revised. Ception Therapeutics informed DED last November that it raised \$39 million in January 2009.



DED Headline Measure (*Proposed for Elimination*) : Number of Intellectual Property Issued to Incubator Companies



DED Headline Measure *(Candidate for Elimination)* : Number of Intellectual Property Issued to Incubator Companies

	FY08	FY09	FY10	FY11	FY12	FY13
Number of intellectual property issued to incubator companies	57	58	27	24	20	24

	FY10 Projection	FY10 Actual
Amount of private equity financing received by incubator companies	60	27

DED would like to eliminate this headline measure in FY11 and pursue their recommended revisions to incubator program measurement.



Proposed Performance Measure Changes for FY11: Incubator Program

- Revamp headline measures to assess the program performance as a whole

Assessment Categories	Measure	Explanation
Efficiency	Financing	Amount of public and private sector funding
Utilization	Client Satisfaction	% of firms indicating that incubator services meet their needs
Effectiveness	Job Creation	Number of jobs per client firm
Sustainability	Retention Rate	% of graduate companies remaining in local area

- Eliminate the headline measure “Number of intellectual property issued to incubator companies”

DED feels these changes will allow them to capture more meaningful data and adhere to industry best practices.



Proposed Performance Measure Changes for FY11: Job Creation and Workforce Services

Workforce Services

- WIB is revising existing measures to align them with the DED's strategic goals and to assess the effectiveness of the workforce services program

Job Creation

- Use State's unemployment insurance filing data to monitor the jobs created by attraction and expansion prospects, and incubator graduates
- Most accurate employment measure, but there's a six-month time lag
- Eliminate the supporting measure "Number of jobs created through DED involvement"



Comparison of Maryland Program Year 2007 WIA Annual Report Scores

	Sate Negotiated Performance Level	Anne Arundel County	Baltimore City	Baltimore County	Frederick County	Lower Shore Consortium	Mid-Maryland Consortium	Montgomery County	Prince George's County	Southern Maryland Consortium	Susquehanna Region Consortium	Upper Shore Consortium	Western Maryland Consortium
Entered Employment Rate Adult	89%	78.6%	78.0%	88.7%	96.4%	76.0%	93.2%	66.1%	77.9%	75.9%	92.2%	73.1%	88.0%
Entered Employment Rate Dislocated Worker	94%	90.0%	88.3%	86.6%	100.0%	90.3%	91.6%	84.1%	81.1%	80.0%	87.0%	83.1%	92.0%
Retention Rate (6 months) Adult	87%	72.9%	78.9%	92.7%	76.4%	81.6%	84.8%	83.7%	79.5%	84.6%	81.6%	77.1%	83.8%
Retention Rate (6 months) Dislocated Worker	91%	76.2%	86.3%	90.8%	78.6%	88.7%	87.1%	90.9%	90.1%	83.3%	84.2%	95.1%	92.2%
Placement in Employment or Education Youth (14-21)	64%	72.4%	73.6%	86.3%	100.0%	62.5%	65.2%	68.0%	67.9%	92.3%	67.4%	66.7%	67.5%
Attainment of Degree or Certificate Youth (14-21)	52%	65.6%	71.8%	83.3%	100.0%	0.0%	77.8%	45.2%	88.2%	100.0%	52.9%	75.0%	77.4%
Literacy or Numeracy Gains Youth (14-21)	51%	90.5%	57.7%	92.7%	20.0%	0.0%	9.1%	0.0%	0.0%	0.0%	47.5%	100.0%	63.6%
Overall Rating		Exceed	Exceed	Exceed	Exceed	Not Met	Met	Not Met	Met	Met	Met	Exceed	Exceed

* Color for individual rating threshold to "met" is 80-100% of negotiated performance level

Source: Maryland Annual WIA Report PY 2007



Comparison of Maryland Program Year 2008 WIA Annual Report Scores

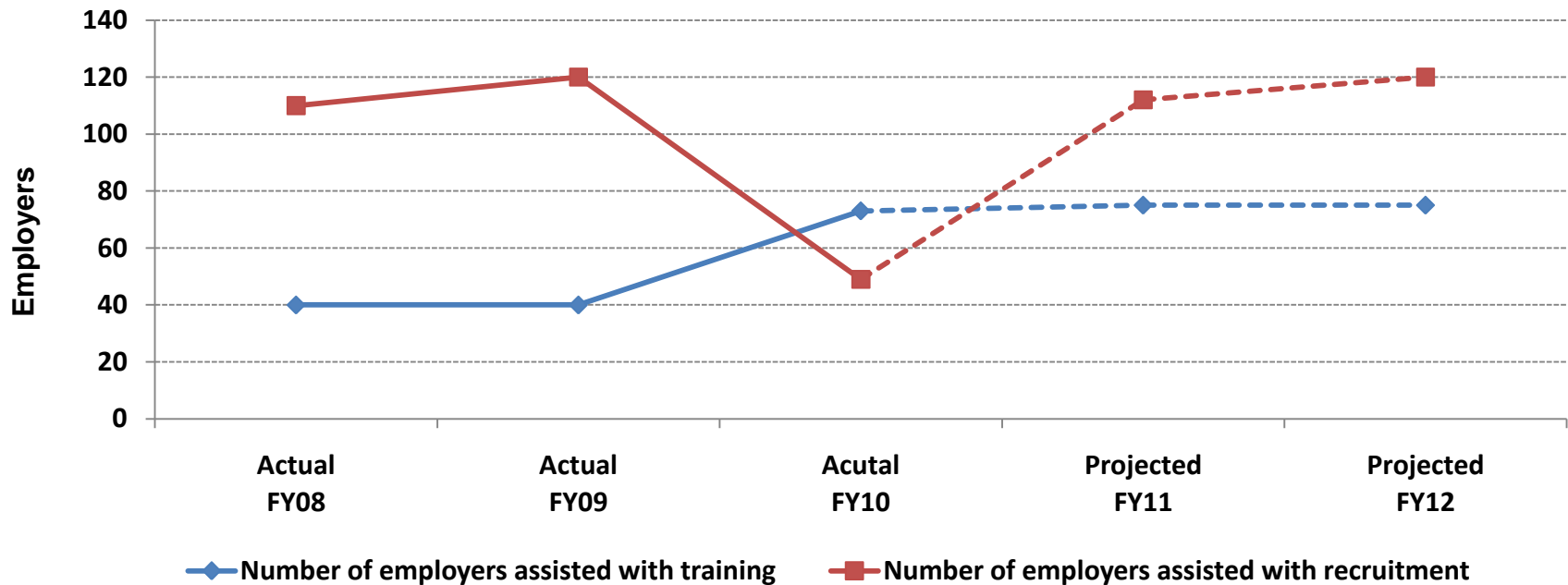
	Sate Negotiated Performance Level	Anne Arundel County	Baltimore City	Baltimore County	Frederick County	Lower Shore Consortium	Mid-Maryland Consortium	Montgomery County	Prince George's County	Southern Maryland Consortium	Susquehanna Region Consortium	Upper Shore Consortium	Western Maryland Consortium
Entered Employment Rate Adult	86%	78.6%	70.5%	73.7%	80.3%	72.9%	87.4%	66.7%	77.1%	81.8%	86.4%	87.5%	94.2%
Entered Employment Rate Dislocated Worker	91%	90.0%	88.1%	85.0%	90.9%	79.5%	90.4%	79.7%	83.6%	100%	96.6%	92.0%	96.4%
Retention Rate (6 months) Adult	88%	72.9%	81.9%	86.7%	86.1%	83.7%	90.1%	94.6%	83.6%	85.7%	88.6%	84.8%	90.4%
Retention Rate (6 months) Dislocated Worker	92%	76.2%	88.4%	91.1%	95.0%	92.5%	88.3%	91.5%	84.6%	100%	93.8%	89.6%	91.5%
Placement in Employment or Education Youth (14-21)	67%	72.4%	70.2%	83.6%	100%	22.2%	82.6%	82.1%	72.4%	66.7%	73.7%	47.1%	63.5%
Attainment of Degree or Certificate Youth (14-21)	52%	65.6%	94.3%	66.7%	70.0%	0.0%	85.7%	67.7%	94.1%	100%	45.8%	41.4%	89.1%
Literacy or Numeracy Gains Youth (14-21)	51%	90.5%	64.8%	76.5%	50.0%	0.0%	100%	0.0%	0.0%	0.0%	78.6%	0%	60.0%
Overall Rating		Exceed	Exceed	Exceed	Exceed	Not Met	Exceed	Met	Met	Met	Exceed	Met	Exceed

* Color for individual rating threshold to "met" is 80-100% of negotiated performance level



Source: Maryland Annual WIA Report PY 2008

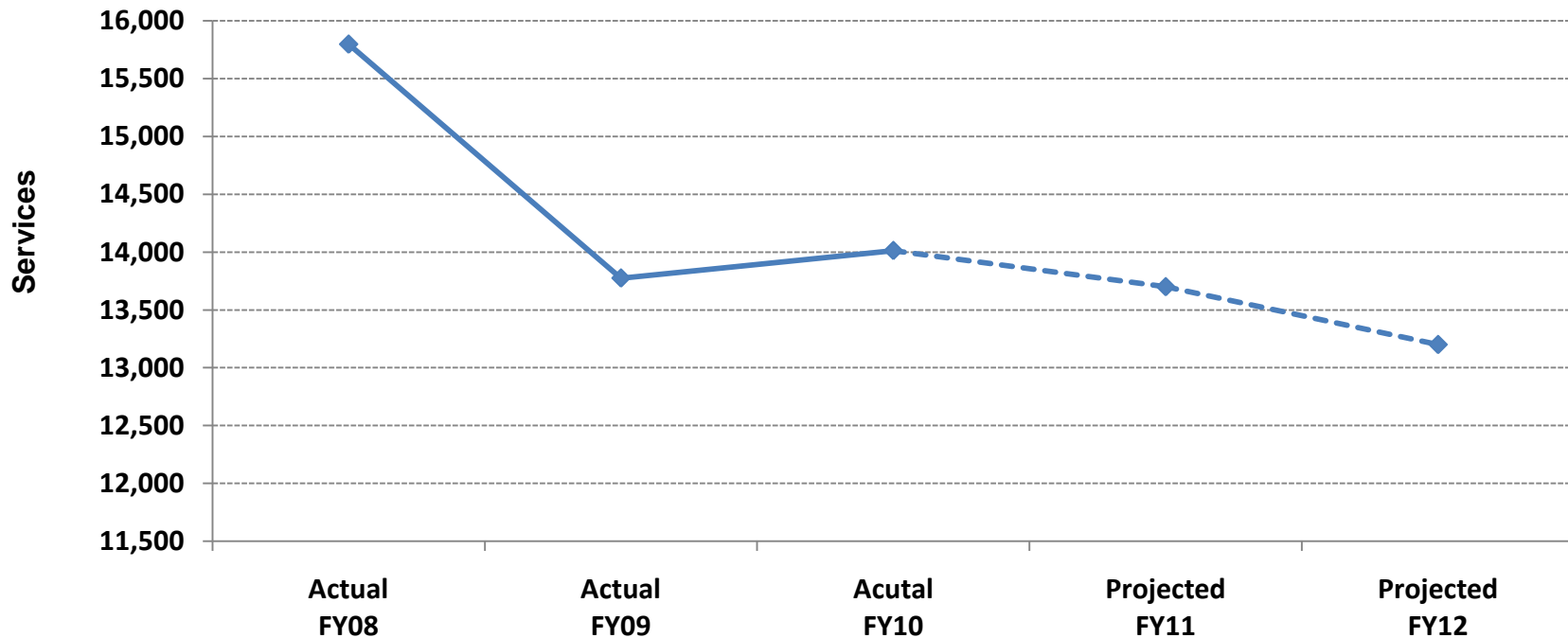
Existing DED Job Creation/Workforce Supporting Measure: Number of Employers Assisted with Training and Recruitment



	FY08	FY09	FY10	FY11	FY12
Number of employers assisted with training	40	40	73	75	75
Number of employers assisted with recruitment	110	120	49	112	120



Existing DED Job Creation/Workforce Supporting Measure: Number of DED Job Related Services for Unemployed Adults



	FY08	FY09	FY10	FY11	FY12
Number of DED job related services for unemployed adults-dislocated, older and disadvantaged workers	15,797	13,775	14,013	13,700	13,200



Wrap-Up and Follow-Up Items

Follow-Up Items

Performance Plan Updating

